

LINDA BOND General

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November 8, 2011

Rep. Kenneth B. Horn, Chair Energy and Technology Committee

RE: Low Income and Energy Efficiency Fund (LIEEF)

Dear Members of the Energy and Technology Committee:

The Salvation Army, as the largest non-government provider of social services to residents of Michigan, is concerned about Michigan's low-income households. The loss of \$62M in LIEEF funds for energy assistance, cuts in federal Low Income Home Energy Assistance Program (LIHEAP) funds of roughly another \$130M, combined with high unemployment, and over 12,000 households slated to come off from DHS cash assistance, creates a scenario where over 300,000 struggling households may face safety risks this season as they make difficult choices about how to provide heat for their families.

Last year, The Salvation Army served over 11,000 households, across all 83 Michigan counties, with energy assistance from the LIEEF funds. These households were either ineligible for assistance from DHS, or assistance from DHS had been insufficient to address their needs. Of those we served, 87% were new to us. Twelve percent (12%) of those we served heated with alternatives to natural gas and electricity such as propane, fuel oil, wood, or corn or wood pellets. We are only one of several organizations that distribute LIEEF assistance, meaning that many more than 11,000 households will be at risk this winter. While we are hopeful for a long term "Michigan Solution" for energy assistance and are actively participating in Senator Caswell's Energy Workgroup, we are concerned about the impact on families now.

Since becoming a LIEEF grant recipient in 2002, The Salvation Army has appreciated the administrative structure of the LIEEF fund, allowing our organization to provide timely and appropriate energy assistance to households, regardless of their energy provider. This assistance is informed by a needs assessment conducted during a client interview and through individualized case planning. LIEEF funding has provided the opportunity to assist households with the development of a case plan to navigate crises and to provide energy assistance when a household member presents for these or other services.



While The Salvation Army will continue to stand beside those who are struggling, the loss of LIEEF funding will significantly compromise our ability to address the presenting need of more than 11,000 households this winter. In light of the July 21st Appeals Court ruling, we urge you to find a creative solution to bridge the LIEEF safety net to a more permanent long term solution for the energy and assistance needs of Michigan residents.

Thank you for your thoughtful consideration.

Mary A. Wilkins
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Assistant Social Services Director

Western Michigan Northern Indiana Division